

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF MICHIGAN

AUTOCAM CORPORATION,

Case No: _____

Plaintiff,

Judge: _____

v

STANADYNE LLC,

Defendant.

James B. Doezeema (P38181)
FOSTER, SWIFT, COLLINS & SMITH, P.C.
Attorneys for Plaintiff
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COMPLAINT

Plaintiff, Autocam Corporation, ("Autocam"), through its attorneys, Foster, Swift, Collins & Smith, P.C., states the following for its Complaint against Defendant, Stanadyne, LLC ("Stanadyne"):

PROCEDURAL ALLEGATIONS

1. Autocam Corporation is a Michigan corporation and a wholly owned subsidiary of NN, Inc., a Delaware company, with its principal place of business located in Grand Rapids, Michigan. It sometimes conducts business within a group of companies referred to as Autocam Precision Components or NN, Inc. Autocam Precision Components.
2. Stanadyne is a Connecticut company with its principal place of business located in Windsor, Connecticut and an additional corporate office located at 20750 Civic Center Dr., Ste. 510, Southfield, Michigan 48076.

3. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. §1332 because complete diversity of citizenship exists between Autocam and Stanadyne, and because the value of the amount in controversy exceeds \$75,000, exclusive of costs, interest, and attorney fees.
4. The Court has personal jurisdiction over Stanadyne pursuant to Michigan's long-arm statute, MCL 600.715, and the principles of due process. Stanadyne regularly conducts business in Michigan, has a corporate office in Michigan and, at a minimum, has negotiated and performed the contracts at issue with a company whose principal headquarters are in Michigan.
5. Venue is proper in this District under 28 U.S.C. §1391.

GENERAL ALLEGATIONS

6. At issue is a contract for Stanadyne to purchase all of Stanadyne's requirements of certain products from Autocam.
7. Stanadyne purchases these products to provide them to Stanadyne's Customer, General Motors ("GM").
8. The products Stanadyne purchases are unique to GM and cannot be used anywhere else.
9. The products Stanadyne purchases are all made of steel.
10. Due to the current supply chain issues with the worldwide steel market requiring abnormal lead times for ordering materials, assurances that Stanadyne purchasing these products as promised are more vital than ever, as a breach will cause Autocam substantial harm.

11. On February 2, 2018, Autocam and Stanadyne entered into a valid and enforceable contract under which Autocam was to provide Stanadyne with “100% of Stanadyne’s requirements for each Product” from 2015 to 2023. (Exhibit 1, the “2018 Contract”).

12. The Products which Autocam was to provide and Stanadyne was to purchase are specifically described in Exhibit A of the 2018 Contract as follows: (Exhibit 1 at Pg. 12-13) (the “Products”).

	2014 Annual Volume 1,089,000	2015 Annual Volume 1,089,000	2016 Annual Volume 1,089,000	2017 Annual Volume 1,089,000	2018 Annual Volume 1,089,000	Notes
Effective Date	Jan 1, 2014	Jan 1, 2015	Jan 1, 2016	Jan 1, 2017	Jan 1, 2018	
Plunger Blank 41808101	\$1.0822	\$1.0822	\$1.0497	\$1.0497	\$1.0497	Quoted using 440C SS @ \$3.37 pound
Plunger Sleeve Blank 41813101	\$1.7898	\$1.7898	\$1.7361	\$1.7361	\$1.7361	Quoted using 440C SS @ \$2.61 pound
Discharge Fitting 41820	\$2.900	\$2.9000	\$2.627	\$2.627	\$2.627	Quoted using 17-4 H1150 SS @ \$2.48 pound
Sleeve Retainer 41828	\$4.5945	\$4.5945	\$4.1180	\$4.1180	\$4.1180	Quoted using 17-4 H1150 SS @ \$2.36 pound
*Discharge Check Valve 43959			\$0.9094	\$0.80 Price starting July 1 st 2017	\$0.70	Quoted using 440C SS @ \$4.15 pound

*The \$0.9094 price is valid through June 30th, 2017.

	2019* Annual Volume 850,000	2020* Annual Volume 850,000	2021* Annual Volume 850,000	2022* Annual Volume 850,000	2023* Annual Volume 850,000	Notes
Effective Date	Jan 1, 2019	Jan 1, 2020	Jan 1, 2021 2% price reduction after 1.7M pieces ship.	Jan 1, 2022 1% price reduction after 2.55M pieces ship.	Jan 1, 2023 1% price reduction after 3.4M pieces ship.	
Plunger Blank 45934101-A 25% of Annual Volume	\$9694	\$9694	\$0.95	\$0.9405	\$0.9311	Quoted using 440C SS @ \$3.37 pound
Plunger Sleeve Blank 46108101 25% of Annual Volume	\$1.8650	\$1.8650	\$1.8277	\$1.8090	\$1.7910	Quoted using 440C SS @ \$2.61 pound
Discharge Fitting 46848	\$2.8335	\$2.8335	\$2.7779	\$2.7504	2.7232	Quoted using 17-4 H1150 SS @ \$2.48 pound
Seat CV Plate 46584-A	\$1.6834	\$1.6834	\$1.6497	\$1.6332	\$1.6169	Quoted using 440C SS @ \$2.95 pound
Blank, Discharge Check Seat 46741101	\$1.23	\$1.23	\$1.2054	\$1.1933	\$1.1814	Quoted using 440C SS @ \$3.44 pound
*Discharge Check Valve 47488	\$0.6550	\$0.6000	\$0.5880	\$0.5760	\$0.5650	Quoted using 440C SS @ \$4.15 pound Assumes 43959 will Obsoleted

*Pending final approval by GM in Q1 2017

	2019 Annual Volume 850,000	2020 Annual Volume 850,000	2021 Annual Volume 850,000 2% price reduction after 1.3M pieces shipped	2022 Annual Volume 850,000 1% price reduction after 1.95M pieces shipped	2023 Annual Volume 850,000 1% price reduction after 2.6M pieces shipped	Notes
** Plunger, Pumping (less superfinishing and DLC coating) 45934200 75% of Annual Volume	\$2.0498	\$2.0498	\$2.0082	\$1.9878	\$1.9676	Quoted using 440C SS @ \$3.37 pound, Assumes Customer Supplied Returnable Dunnage
**Plunger, Sleeve 46108 75% of Annual Volume	\$2.8307	\$2.8307	\$2.7740	\$2.7460	\$2.7190	Quoted using 440C SS @ \$2.61 pound
2018 Annual Volume 350,000						
***CF Pilot Tube 47623	\$2.11					Quoted using 304L Cold form blank @ \$0.76 a piece

**NN Autocam will provide the Blanks to make the parts in Exhibit A-2

**The weekly volume is based on delivering either Blanks or Finished parts.

** MSA dated 08.17.2017 – Only change was to add the parts in Exhibit A-2.

**Both parts are quoted with a \$5,000 special tooling charge for air gauging.

***Stanadyne is working on lower cost processes. NN Autocam will quote and have the first right of refusal for any new process for the 5 year contract, NN quote must be cost competitive.

*** Stanadyne will receive 100% of the saving from any approved VAVE once the cost of the VAVE is recovered by NN Autocam.

*** Stanadyne will give NN Autocam 6 months notice before changing to a new process or cover the cost of raw material and WIP.

*** Autocam will adjust price quarterly based on the cost of the CF blank.

*** Risk management agreement required, due to inherent flaws associated with the cold forming process. NN Autocam will only be responsible for the cost of the flawed CF Pilot Tube.

13. Under the 2018 Contract, Autocam “will supply and Stanadyne will purchase 100% of Stanadyne requirements” for each of the above-described Products from 2015 to 2023.

(Exhibit 1 at Pg. 1).

14. Under the 2018 Contract, Stanadyne was to communicate their requirements through a written or electronic purchase order. Each of these purchase orders remained subject to the terms of the 2018 Contract. (Exhibit 1 at Pg. 1).

15. The prices for the Products were set by the 2018 Contract and “may be changed only as mutually agreed in writing.” (Exhibit 1 at Pg. 1).

16. Only one of the Parts, the CF Pilot Tube (47623), was required to be quoted competitively.
(Exhibit 1 at Pg. 13).
17. Only one of the Parts, the CF Pilot Tube (47623), was required to be at a reasonable cost.
(Exhibit 1 at Pg. 13).
18. The 2018 Contract explicitly stated that “No mandatory, periodic price reductions are included in this agreement.” **(Exhibit 1 at Pg. 13).**
19. On October 10, 2019, Autocam and Stanadyne amended the 2018 Contract, **(Exhibit 2)** (the “2019 Amendment”).
20. The 2018 Contract remained enforceable.
21. The 2019 Amendment gave Autocam the right to 100% of Stanadyne’s annual volume for the following products as part of the new Gen V Plus Program, also referred to as the “Gen 5+ Program” by Stanadyne **(Exhibit 2 at Pg. 1)** (the “Amendment Products”):

Part Number	Part Name	Annual Volume	Old Cost	Adjustment	New cost	Notes
46848	Discharge Fitting	100%	2.9216	0.36	2.5616	per spread sheet .16 Burnish OD .20 material
46584	Seat CV Plate	100%	1.6834	0.07	1.6134	per spread sheet .07 material
46741101	Blank Discharge Check Seat	100%	1.23	0.04	1.19	per spreadsheet .04 material
47488	Discharge Ck Valve	100%	0.6577	0.06	0.5977	per spread sheet .01 material .05 productivity
45934200	Plunger ground	100%	2.0498	0.23	1.8198	per spread sheet .09 material .10 100% grind .04 HT change
46108	Sleeve, plunger	100%	2.8307	0.42	2.4107	per spread sheet .24 material .10 100% grind .08 HT change
				0.76		Volume- NN to specify where to apply savings
				0.07		Flaw spec, to blend over all above
				2.01	Total Pump	
				0.14		46584 potential to remove hard turn
46741	Finished Discharge Check Seat				2.05	New offer based on 100% finishing Blank Discharge Check Seat

22. The 2019 Amendment did not require Autocam to provide a competitive quote, for any of the Amendment Products either at the time of quote or anytime thereafter.

23. The 2019 Amendment gives Autocam the last right of refusal to build the products, whether new or existing in nature, for any “new design of precision machined parts related to the Gen 5+ program family of parts.” (**Exhibit 2** at Pg. 2).

24. The 2019 Amendment contained an “evergreen renewal” which provided for the extension of the 2018 Contract if GM extended its contract with Stanadyne beyond 2023. (**Exhibit 2** at Pg. 2).

25. On March 30, 2022, Stanadyne informed Autocam that Stanadyne would be “moving forward” with a new supplier source for the Discharge Fitting (46848), which Autocam is

guaranteed by the 2018 Contract and 2019 Amendment to supply 100% of Stanadyne's requirements. **(Exhibit 3).**

26. Also on March 30, 2022, Stanadyne determined Autocam's pricing to be "uncompetitive" and provided Autocam with target pricing based on recent market test data for three parts covered under the 2019 Amendment: the Discharge Check Valve (47488), the Discharge Fitting (41820), and the Sleeve Retainer (41828). Stanadyne requested Autocam provide Stanadyne with updated pricing that is "competitive" or understand that Autocam could "lose the business in the near future" if Autocam did not update their pricing as requested. **(Exhibit 3).**
27. Neither the 2019 Amendment nor the 2018 Contract provided for any change in price due to "market test data" or required Autocam to change their prices for the Discharge Check Valve (47488), the Discharge Fitting (41820), and the Sleeve Retainer (41828) during the period of the contract.
28. Neither the 2019 Amendment nor the 2018 Contract allows for Stanadyne to turn to another supplier for their requirements of the Discharge Check Valve (47488), the Discharge Fitting (41820), and the Sleeve Retainer (41828) if they believe Autocam's price is not competitive.
29. Both the 2018 Contract and the 2019 Amendment set the price for the Discharge Check Valve (47488), the Discharge Fitting (41820), and the Sleeve Retainer (41828), and no mutually agreed upon writing altering those prices exists.
30. On April 1, 2022, when Autocam requested the latest prints for the Discharge Check Valve (47488), the Discharge Fitting (41820), and the Sleeve Retainer (41828) to review whether

Stanadyne's March 30, 2022 request to "meet target pricing" or losing Stanadyne's business "in the near future" triggered Autocam's last right of refusal for products, Stanadyne questioned why Autocam would need them as Autocam is the "current production source" indicating there had been no change to these products. (Exhibit 4).

31. Autocam refused to alter the contracted for price for the Discharge Check Valve (47488), the Discharge Fitting (41820), and the Sleeve Retainer (41828), despite Stanadyne's threat as there had been no change to the product triggering their right of last refusal.
32. Less than a month later, on April 28, 2022, Stanadyne sent Autocam a request for quote ("RFQ") for "new parts, 606521, 606519 and 606520," ("Parts 606519-606521") based on an alleged change in design. (Exhibit 5).
33. There is no material difference in design between the Discharge Check Valve (606519) and the Discharge Check Valve (47488), which Autocam has the exclusive right to provide 100% of Stanadyne's annual volume of per the 2019 Amendment.
34. There is no material difference in design between the Discharge Check Seat (606520) and the Finished Discharge Check Seat (46741), which Autocam has the exclusive right to provide 100% of Stanadyne's annual volume of per the 2019 Amendment.
35. There is no material difference in design between the Discharge Fitting (606521) and the Discharge Fitting (46848), which Autocam has the exclusive right to provide 100% of Stanadyne's annual volume of per the 2019 Amendment.
36. Because Parts 606519-606521 are the same as the Discharge Check Valve (47488), the Finished Discharge Check Seat (46741), and the Discharge Fitting (46848), respectively,

Autocam maintains their exclusive right to provide 100% of Stanadyne's annual volume of Parts 606519-606521 per the 2019 Amendment.

37. Just eighteen (18) days later, on May 16, 2022, Stanadyne sent Autocam price quotes and terms for Parts 606519-606521 which Stanadyne asserted were part of the Gen 5+ program which Stanadyne had the exclusive right of refusal to. (**Exhibit 6**).
38. In the same May 16, 2022 communication, Stanadyne demanded a response from Autocam by May 18, 2022, while also providing no prints for Parts 606519-606521. (**Exhibit 6**).
39. In the same May 16, 2022 communication, Stanadyne stated that they would be awarding the quote for Parts 606519-606521 by May 20, 2022. (**Exhibit 6**).
40. On May 18, 2022, attempting in good faith to maintain a good working relationship with Stanadyne, Autocam responded that it would manufacture the Discharge Check Valve (606519) at a price less than the contracted for price of the identical Discharge Check Valve (47488), despite the market cost of raw materials going up. (**Exhibit 7**).
41. On May 18, 2022, attempting in good faith to maintain a good working relationship with Stanadyne, Autocam responded that it would manufacture the Discharge Check Seat (606520) at a price less than the contracted for price of the identical Finished Discharge Check Seat (46741), despite the market cost of raw materials going up. (**Exhibit 7**).
42. On May 18, 2022, attempting in good faith to maintain a good working relationship with Stanadyne, Autocam responded that it would manufacture the Discharge Fitting (606521) at substantially the same contracted price as the identical Discharge Fitting (46848), despite the market cost of raw materials going up. (**Exhibit 7**).

43. On May 19, 2022, Stanadyne informed Autocam that Autocam's prices for Parts 606519-606521 "are not competitive and are significantly above the last right of refusal pricing that was provided directly from one of [Autocam's] competitors." (Exhibit 8).

44. In the same May 19, 2022 communication, Stanadyne stated that Autocam "not agreeing to these last-right prices disqualifies [Autocam] from design, development, and production of [Parts 606519-606521]" and "As per the agreement, we unfortunately have to resource [Parts 606519-606521]." (Exhibit 8).

45. Neither the 2018 Contract nor the 2019 Amendment allows for Stanadyne to receive any of their annual requirement of Parts 606519-606521 from any party other than Autocam as they are the same as the Discharge Check Valve (47488), the Finished Discharge Check Seat (46741) and the Discharge Fitting (46848) which Autocam has the exclusive right to provide 100% of Stanadyne's annual volume of per the 2019 Amendment.

46. As Stanadyne was made aware in Autocam's bids for Parts 606519-606521, due to current supply chain issues, the lead time for the raw materials required to produce Parts 606519-606521 as well as the Products and the Amendment Products is uncharacteristically long, and Autocam is required to order these raw materials over a year in advance in anticipation of Stanadyne's requirements.

47. Stanadyne has not assured Autocam that they will in fact honor their contractual duty to receive 100% of their requirements for Parts 606519-606521, the Products and the Amendment Products from any party other than Autocam for the remaining term of the contract.

48. As a result, Autocam has been forced at great expense to order raw materials over a year in advance with no assurance from Stanadyne that they will honor their contractual duties to purchase 100% of their annual needs of Parts 606519-606521, the Products and the Amended Products.

49. In fact, as of June 30, 2022, Stanadyne has submitted no purchase orders for the months of October, November and December of 2022 which, if remains the case, would lead to massive preordered and prepaid raw materials intended for Stanadyne's requirements to go unused.

COUNT I- DECLARATORY JUDGMENT

50. Autocam and Stanadyne have an actual case in controversy.

51. Autocam is entitled to a declaration that Stanadyne may not receive any of their requirements for the Products from any other party than Autocam.

52. Autocam is entitled to a declaration that Stanadyne may not receive any of their requirements for the Amendment Products from any other party than Autocam.

53. Autocam is entitled to a declaration that Stanadyne may not receive any of their requirements for Parts 606519-606521 from any other party than Autocam.

COUNT II- SPECIFIC PERFORMANCE

54. The 2018 Contract and the 2019 Amendment are both mutually binding on Autocam and Stanadyne.

55. Autocam has performed its duties under both the 2018 Contract and the 2019 Amendment.

56. Stanadyne's contractual duties to purchase 100% of its requirements of the Products from Autocam for the life of the 2018 Contract and the 2019 Amendment are clearly ascertainable and explicit enough to warrant enforcement.

57. Stanadyne's contractual duties to purchase 100% of its requirements of the Amendment Products from Autocam for the life of the 2018 Contract and the 2019 Amendment are clearly ascertainable and explicit enough to warrant enforcement.

58. Stanadyne's contractual duties to purchase 100% of its requirements for Parts 606519-606521 from Autocam for the life of the 2018 Contract and the 2019 Amendment are clearly ascertainable and explicit enough to warrant enforcement.

WHEREAS Plaintiff, Autocam Corporation, requests that this Court order the following:

A. A declaration that:

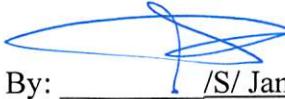
- i. The 2018 Contract and 2019 Amendment remain in full force and effect requiring both parties to comply with all of the duties and obligations under the contract.
- ii. Stanadyne is obligated to request and purchase 100% of Stanadyne's requirements for the Products from Autocam.
- iii. Stanadyne is obligated to request and purchase 100% of Stanadyne's requirements for the Amendment Products from Autocam.
- iv. Stanadyne is obligated to request and purchase 100% of Stanadyne's requirements for Parts 606519-606521 from Autocam.
- v. Autocam is not required to provide a price for a Product other than that which is outlined in either the 2018 Contract or the 2019 Amendment for any of the Products.
- vi. Autocam is not required to provide a price for a Product other than that which is outlined in either the 2018 Contract or the 2019 Amendment for Parts 606519-606521.

B. Injunctive relief preventing Stanadyne from taking any actions inconsistent with Autocam's right to supply the Products for all of Stanadyne's requirements.

C. An order for specific performance and/or a mandatory injunction requiring Stanadyne to request and purchase 100% of Stanadyne's requirements for the Products from Autocam.

- D. An order for specific performance and/or a mandatory injunction requiring Stanadyne to request and purchase 100% of Stanadyne's requirements for Parts 606519-606521 from Autocam.
- E. An order for specific performance and/or a mandatory injunction requiring Stanadyne to comply with all of its obligations under the 2018 Contract and the 2019 Amendment.
- F. An award of attorney's fees and other costs arising out of Stanadyne's threats to breach the Contract, necessitating Autocam file this equitable action.

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